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JUN 10 2003

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

June 10, 2003

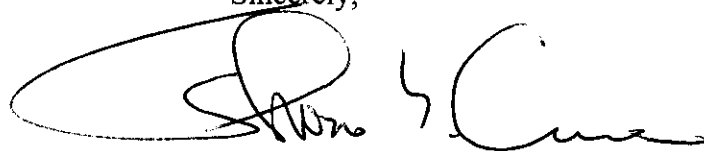
Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: IB Docket No. 03-115; No. ISP-PDR-20030418-00012

Dear Ms. Dortch:

Enclosed for filing is an original plus four (4) copies of the original executed affidavit to be included under Exhibit A of the Petition of the Office of the Governor of the Commonwealth of the Northern Mariana Islands To Deny, or, In the Alternative, To Designate For Hearing filed yesterday in the above referenced proceeding. The affidavit included with yesterday's filing was a telecopy version. The original signed version arrived via Fedex today (due to the extended time period for delivery services from the Commonwealth) and is being filed herewith.

Sincerely,



Thomas K. Crowe
Gregory E. Kunkle,
Counsel for the Office of the Governor of
the Commonwealth of the Northern
Mariana Islands

Enclosures

cc: Kenneth D. Patrich
Peter D. Shields
Qualex International

No. of Copies rec'd
List A B C D E

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AFFIDAVIT

State of _____ :

:

ss.

County of _____ :

Robert Schwalbach, Affiant, being duly sworn according to law, deposes and says that: I am a Senior Policy Advisor in the Office of the Governor, Commonwealth of the Northern Mariana Islands ("Commonwealth"), and am fully authorized to execute this affidavit on behalf of the Office of the Governor.

A credit report prepared by International Company Profile shows that Citadel Holdings Inc. ("Citadel") reported being involved in the purchase of controlling shares of Micronesian Telecommunications Corporation ("MTC") in 2002. That credit report also shows that Citadel suffered losses in the amount of 534,929,865 Pesos in the year 2000, recouping only approximately 10 percent of that total with 2001's before tax profits.

MTC (and its wholly-owned subsidiary, GTE Pacifica Inc. ("GTE Pacifica")) are the dominant providers of virtually all forms of telecommunications services in the Commonwealth. Both the small population and physical size of the Commonwealth have historically served to sustain a monopoly telecommunications environment and to limit the emergence of viable competition.

To date, MTC is the only company authorized under the Commonwealth's local telecommunications law to provide local service and apparently has never entered into an

interconnection agreement under the 1996 Act. MTC is also the only provider of exchange access services. Local service between the islands of Saipan, Tinian, and Rota is provided over a fiber optic submarine cable owned exclusively by GTE Pacifica.

MTC or Verizon Micronesia is well-established as the dominant cellular provider in the Commonwealth. While Verizon Micronesia is the wireline provider, Saipancell (or Guam Cellular and Paging, Inc.) is the non-wireline provider. Saipancell, however, has a subscriber base which is significantly smaller than that of Verizon Micronesia.

Only limited domestic and international off-island competition exists in the Commonwealth. GTE Pacifica also controls access off the islands of the Commonwealth by means of its exclusive ownership of C-band transmit/receive earth stations as well as a fiber optic submarine cable connecting the Commonwealth with Guam and, in turn, the rest of the world. MTC is also the predominant supplier of backbone Internet services and the dominant Internet service provider in the Commonwealth.

Since the Commonwealth's telecommunications network is a monopoly network, its critical infrastructure services, including 911 public safety services and other vital private sector services, are largely interdependent upon that network.

The U.S. military commits significant resources to its activities in the Commonwealth. The federal government leases approximately 18,182 acres of land in the Commonwealth, which is used for military purposes. The U.S. Navy and Marines use some of this land to conduct joint training exercises, including the use of troops, ships and aircraft, to maintain the combat readiness of "forward deployed" military units. Significantly, the Commonwealth island of Farallon de Medinilla is the only live-fire training location in the western Pacific. In addition,

several military transport ships are routinely positioned just off the coast of Saipan, available for deployment wherever strategically needed in the region.

The federal government itself has a significant presence in the Commonwealth. The following U.S. government entities have Commonwealth office locations: Department of Defense, Department of Interior, Department of Justice, Department of Transportation, Department of Labor, Department of Agriculture, Social Security Administration, U.S. National Labor Relations Board, U.S. Postal Service, U.S. Probation, U.S. District Court, and International Broadcasting Bureau. There can be little doubt that these government offices rely heavily on the Commonwealth telephone network. While the military maintains its own communications capabilities, certain functions and federal government operations in the Commonwealth appear to depend on the monopoly telecommunications network.

The International Broadcasting Bureau owns and operates 3 transmitters in Saipan and 8 in Tinian that are used by Voice of America ("VOA") and Radio Free Asia ("RFA") to rebroadcast signals within the Pacific Rim. These transmitters are independent of the monopoly telecommunications network; however, both VOA and RFA appear to depend upon the network for communications within the Commonwealth and the outside world.

Verizon, the ultimate parent company of MTC and GTE Pacifica, has substantial operations in both the mainland U.S. and, through MTC and GTE Pacifica, in the Commonwealth, facilitating integration of rates across corporate affiliates in a manner that has introduced service offerings and pricing to the Commonwealth market which are comparable to those available in the mainland U.S.

I attest under penalty of perjury that the foregoing is true and correct as to the best of my knowledge, information, and belief.

[Signature]

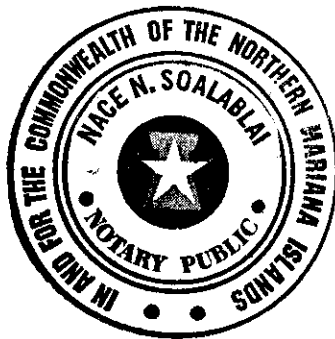
Signature of Affiant

Sworn and subscribed before me this 6th day of June, 2003.

[Signature]

Signature of Official administering oath

My commission expires 9/6/04.



NACE N. SOALAB LAI
NOTARY PUBLIC
Commonwealth of the Northern Mariana Islands
My Commission expires: 9/6/04